Message Text

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ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 L-03 COA-02 COME-00 INT-08

TRSE-00 SCEM-02 OEP-01 NSC-10 CIAE-00 INR-09 NSAE-00

PA-03 RSC-01 USIA-12 PRS-01 AID-20 RSR-01 SCI-06

CEQ-02 EPA-04 /108 W

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R 271345 Z MAR 73 FM AMEMBASSY SANTO DOMINGO TO SECSTATE WASHDC 7772

CONFIDENTIAL SANTO DOMINGO 1348

E. O. 11652: GDS

TAGS: ENRG, SENV, DR

SUBJECT: GODR OBJECTIONS TO MONA ISLAND REFINERY PROPOSAL

REF: (A) SD 1167; (B) STATE 049372; (C) SD 0082

- 1. EMBASSY APPRECIATES INFORMATION ON MONA ISLAND PROPOSAL CONTAINED REF (B) AND IN MATERIAL POUCHED. EMBASSY RESPONDED TO FONOFF NOTE MARCH 23 INDICATING MERELY THAT GODR OBJECTIONS TO REPORTED PROPOSAL HAD BEEN TRANSMITTED TO DEPARTMENT OF STATE AND EMBASSY WOULD PROVIDE FURTHER INFORMATION AS AVAILABLE. (COPY OF EMBASSY NOTE BEING POUCHED TO ARA/ CAR)
- 2. WE BELIEVE THAT DESIRE TO PROTECT POSSIBLE 300,000 B/D REFINERY IN AZUA IS NOT RPT NOT AN IMPORTANT FACTOR IN GODR OPPOSITION TO MONA ISLAND REFINERY PROPOSAL. THE GOVERNMENT HAS BEGUN A MAJOR EFFORT TO PROMOTE TOURISM IN THE DOMINICAN REPUBLIC WHICH COULD EVENTUALLY PROVE TO BE A FOREIGN EXCHANGE EARNER SECOND ONLY TO SUGAR. THEIR INTENT IS EVIDENCED BY CURRENT NEGOTIATIONS WITH IBRD AND IBD WHICH SHOULD RESULT IN \$15 TO \$20 MILLION IN LOANS FOR SPECIFIC PROJECTS ON NORTH AND SOUTH COASTS. THE EAST COAST, WHICH THE GODR FEARS COULD BE AFFECTED BY THE MONA ISLAND REFINERY, HAS THE BEST, THROUGH AS YET UNDEVELOPED, BEACHES IN THE COUNTRY. SIGNIFICANTLY, THESE BEACHES CURRENTLY SUSTAIN FREQUENT DAMAGE FROM OIL SPILLAGE OR FLUSHINGS FROM TANKERS MOVING THROUGH CONFIDENTIAL

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- 7. ABOVE RECAPITULATES SADAT' S STATEMENT TO ASU CENTRAL COMMITTEE AND PEOPLE' S ASSEMBLY. IN SEPARATE, BRIEF STATEMENT "TO THE POEPLE OF EGYPT," SADAT MADE FOLLOWING POINTS:
- (A) TASKS OF HOMEFRONT MUST BE FULFILLED, EVEN THROUGH CONFRONTATION WITH ENEMY CONTINUES AND SHOULD BE ESCALATED.
- (B) ASUCC AND PA WILL PARTICIPATE IN EXECUTIVE DECISIONS; SADAT WILL MEET WITH THEM REGULARLY TO SHARE HIS RESPONSIBILITIES.
- 8. COMMENT: SADAT'S SPEECH IMPLIES LITTLE CHANGE AND SADAT PERSONALLY GAVE IMPRESSION OF A BELEAGUERED MAN REACTING RATHER EMOTIONALLY TO PROBLEMS WITH WHICH HE FINDS IT DIFFICULT TO COPE. IT WAS SHORT ON ORIGINAL IDEAS TO DEAL WITH INCREASINGLY DIFFICULT INTERNAL AND EXTERNAL PROBLEMS. HE GAVE NO SPECIFIC PLANS FOR THE FUTURE; BUT IT IS NOTEWORTHY THAT HIS CONCEPT OF "CONFRONTATION" APPEARS TO ENVISION CONTINUATION OF DIPLOMATIC EFFORTS PARALLEL TO MILITARY PREPARATIONS. US REMAINS VILLAIN BECAUSE OF WHAT HE TERMED ITS COMPLETE SUPPORT FOR ISRAEL: MOREOVER, US VIEW OF RECONCILING EGYPT'S SOVEREIGNTY WITH ISRAEL' S SECURITY MAY BE "POSITIVE," BUT HER SUBSEQUENT ACTIONS, SADAT SAID, GAVE THIS VIEW THE LIE AND EGYPT COULD NEVER GIVE UP LAND IN INTERESTS OF ISRAELI SECURITY. SADAT DISPLAYED HIS USUAL DEEP SUSPICION OF USG MOTIVES BY SAYING THAT US HAD INTENTIONALLY LEAKED NEWS OF ARMS DEAL WITH ISRAEL IN ORDER TO WAGE PSYCHOLOGICAL WAR AGAINST EGYPT. HE WAS ALSO CAREFUL TO ASSURE HIS AUDIENCE THAT EGYPT HAD NOT BARGAINED WITH US OVER SUBSTANCE OF SETTLEMENT TO CRISIS, BUT WAS DETERMINED TO MAKE THE WORLD PAY ATTENTION TO EGYPT' S PROBLEMS. SADAT'S PROMISE TO GIVE GREATER PARTICIPATION TO ASU AND PEOPLE' S ASSEMBLY IN GOE DECISION PROCESS IS FURTHER DEVELOPMENT OF HIS OFTER- STATED DESIRE TO SHARE PROBLEM WITH PEOPLE OF EGYPT. IT MAY ALSO BE A DEVICE TO DIFFUSE RESPONSIBILITY FOR UNPOPULAR DECISIONS AMONG HIS COLLEAGUES.
- 9. CABINET SHIFT (REPORTED SEPTEL) PARALLELS ANNOUNCED POLICY: LITTLE CHANGE. FOR VARIOUS REASONS, SIDKY HAD TO BE REPLACED: HE WAS WIDELY DISLIKED BY OTHER MEMBERS OF EGYPT'S POWER CONFIDENTIAL

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STRUCTIRE; HIS EFFECTIVENESS IS DEALING WITH ECONOMIC AND VARIOUS DOMESTIC PROBLEMS HAD BEEN REDUCED (IN PART BECAUSE SADAT HIMSELF USED SIDKY TO DRAW CRITICISM FOR GOE INTERNAL POLICY FAILURES AWAY FROM HIMSELF), AND HIS USEFULNESS AS A CREDIBLE CHANNEL TO THE SOVIETS SEEMED IN RECENT MONTHS ALSO TO HAVE COME INTO QUESTION. FACT THAT SADAT TOOK SIDKY'S POSITION HIMSELF APPEARS TO BE MORE A PRODUCT OF HIS INABILITY

TO FIND AN ADEQUATE SUCCESSOR WHO WOULD ACCEPT THE POSITION, THAN THAT OF HIS OWN DESIRE TO INVOLVE HIMSELF MORE DEEPLY IN THE DAY- TO- DAY AFFAIRS OF GOVERNMENT. OTHER CHANGES OF CABINET REFLECT POLICY FAILURES (THE REMOVAL OF FUAD MURSY AS MINISTER OF SUPPLY), PERSONAL OR FAMILY DEFICIENCIES (MERZIBAN'S BROTHER APPEARS TO HAVE BEEN INVOLVED IN CURRENCY SMUGGLING CASE), TOO CLOSE IDENTIFICATION WITH SIDKY (ZAKI HASHEM), OR PERSONAL AND PROFESSIONAL INFIGHTING. CABINET CONTAINS MANY CARRYOVERS OF TECHNICIANS FROM PREVIOUS GOVERNMENT. AND IMPORTANT PORTFOLIOS OF INTERIOR, WAR, AND FOREIGN AFFAIRS REMAIN UNCHANGED. TECHNOCRATIC CHARACTER OF SATAT'S NEW CABINET THUS REMAINS, FOR THE MOST PART, UNCHANGED.

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^{***} Current Handling Restrictions *** n/a

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